

***United States Court of Appeals  
for the Second Circuit***



**SUPPLEMENTAL  
APPENDIX**





# 74-2393

UNITED STATES COURT OF APPEALS  
FOR THE SECOND CIRCUIT

No. 74-2393

SECURITIES AND EXCHANGE COMMISSION,  
Plaintiff-Appellee,

v.

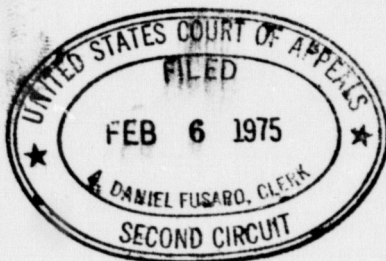
RESEARCH AUTOMATION CORPORATION, et al.,  
Defendants,

KONSTANTINOS M. TSERPES,  
BASIL MARTOS,  
ATHAN HAMOS,

Appellants.

Appeal from the United States District Court  
for the Southern District of New York

SUPPLEMENTAL APPENDIX



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1 UNITED STATES DISTRICT COURT:  
2 SOUTHERN DISTRICT OF NEW YORK

3 -----x  
4 SECURITIES AND EXCHANGE COMMISSION

5 Plaintiff,

6 -against-

7 RESEARCH AUTOMATION CORPORATION, et al.,

8 Defendants.  
9 -----x

10 Securities and Exchange Commission  
11 26 Federal Plaza  
12 New York, New York  
13 May 20, 1974

14 o0o

15 Examination of KONSTANTINOS M. TSERPES, held at  
16 the above name and place in the above-entitled matter,  
17 pursuant to Notice, dated May 9, 1974, at 10:40 a.m.

18 o0o

19 APPEARANCES:

20 WILLIAM MORAN, ESQ., Attorney for Plaintiff,  
21 26 Federal Plaza, New York, New York  
22 BY: MARK JACOBS, ESQ., of Counsel  
23 ANTHONY CAMARATA, INVESTIGATOR

24 ALSO PRESENT:

25 Nadia Deliyandis, Greek Interpreter,  
204 West 94th Street, New York, New York

Giannakopoulos, William  
564 East 1st Street, Brooklyn, New York

George Katirtzoglou,  
48-09 48th Street  
Long Island City, New York

o0o

1 MR. JACOBS: Let the record reflect that  
2 Mr. --

3 MR. TSERPES: I would like everything that  
4 we spoke before to be taken down.

5 MR. JACOBS: It will. Let the record  
6 reflect that Mr. Tserpes is appearing here today  
7 individually and as president of Research Automation  
8 Corporation --

9 THE INTERPRETER: What is the name of the  
10 company, please?

11 MR. JACOBS: Research Automation Corporation.

12 THE INTERPRETER: Mr. Tserpes says that he  
13 wants whatever we talked about before about the  
14 stipulation to be written down.

15 MR. JACOBS: Fine. Mr. Tserpes, I will  
16 speak to you through an interpreter. Mrs. Deliyianidis  
17 is here serving as an interpreter this morning.

18 MR. TSERPES: You have put some questions  
19 to me before. And these questions are referred to the  
20 business for which I am here, and I want everything  
21 to be put down from the beginning.

22 MR. JACOBS: We will start at the very  
23 beginning. However, since I will be speaking to  
24 Mr. Tserpes through the interpreter, I ask that  
25 Mr. Tserpes respond to my questions through the



1 interpreter.

2 MR. TSERPES: You have put some questions  
3 and I want everything --

4 MR. JACOBS: Yes. And now we will put  
5 that on the record. The first question I posed  
6 is as follows:

7 Do you stipulate to the fact that the  
8 transcript of the deposition can be signed and  
9 sworn to before any Notary Public or Commissioner  
10 of Deeds?

11 MR. TSERPES: I would like a transcript.  
12 I would like to have the transcript to have the  
13 text of the transcript. Because perhaps the text  
14 will be different from what you are talking.

15 MR. JACOBS: I posed a question to Mr.  
16 Tserpes. I would like an answer to that question  
17 before I respond to his statement.

18 MR. TSERPES: I have answered to this  
19 question. I want the text in my hands to read it.  
20 And afterwards, if it's what I mean, I am going  
21 to sign it, because the last time when something  
22 has happened, because the last time when you typed,  
23 it was not clear.

24 MR. JACOBS: Mr. Tserpes, if you would  
25 like a copy of the transcript which the reporter

1 is taking down here today, you may order a copy.

2 MR. TSERPES: I have a question. How I  
3 have to sign it? I have to have a text. What I  
4 said so that I could sign it. If you can give me  
5 a paper I am going to read it, and if it's what  
6 I mean I am going to sign it.

7 I have previous experience of mistake you  
8 made.

9 MR. JACOBS: I will be glad to allow you  
10 to look at my copy of the transcript of the deposition  
11 when I receive it. However, if you would like a  
12 copy of your own, you will have to order a copy of  
13 your own.

14 MR. TSERPES: Which one I have to sign,  
15 your deposition or mine?

16 MR. JACOBS: The one that will be signed  
17 is the one that will be filed with the court.

18 MR. TSERPES: You did not answer to my  
19 question.

20 MR. JACOBS: Each copy will be exactly the  
21 same. The reporter is taking down only one trans-  
22 cript.

23 MR. TSERPES: You said something different.  
24 You don't answer my question. I am going to answer  
25 to your papers or to mine?



1 I am going to put my signature on what  
2 I have declared or on what you have declared?

3 MR. JACOBS: Mr. Tserpes, what you will  
4 be asked to sign will be a transcript of the de-  
5 position which the reporter is taking down here  
6 today.

7 MR. TSERPES: After we are going to be  
8 finished I am going to read it, and then I will  
9 see if I will sign it.

10 MR. JACOBS: Certainly. Mr. Tserpes,  
11 at this time we are not asking you to sign it. You  
12 will have an opportunity to read the transcript before  
13 you sign it.

14 MR. TSERPES: You told me before that I  
15 have to sign your deposition.

16 MR. JACOBS: I am sorry if there was a  
17 misunderstanding, but let me ask the interpreter  
18 if --

19 MR. TSERPES: You told me before that they  
20 will be the same, no?

21 MR. JACOBS: That's correct.

22 MR. TSERPES: If you want to keep it off  
23 the record?

24 MR. JACOBS: I would like to keep everything  
25 on the record. I noted that one of the witnesses

1 in the room today is entering into a discussion  
2 with Mr. Tserpes and the interpreter. I ask that  
3 the witnesses remain here only to witness, and  
4 and that they certainly may take in none of this  
5 conversation that they do not aid in the answering  
6 or the interpreting of any questions.

7 THE INTERPRETER: Mr. Tserpes asked the  
8 same question, he has to put his signature on your  
9 deposition or his deposition?

10 MR. JACOBS: If Mr. Tserpes has any  
11 questions regarding depositions I would refer him  
12 to the federal rules of civil procedure, Title 5,  
13 Rules 26 --

14 THE INTERPRETER: I am not interested  
15 in the number of the title. I am interested in  
16 facts only, not in numbers.

17 MR. JACOBS: Mr. Tserpes will be asked to  
18 sign the court, the copy of the deposition which  
19 will go to the court, the official copy to be filed  
20 with the court. At this point, however, we must  
21 start in and I would like the record to reflect  
22 that the parties have entered into no stipulations.

23 THE INTERPRETER: He is going to sign  
24 the deposition made by him, this is what he does  
25 not understand?



1 MR. JACOBS: It will be the transcript  
2 of the examination which will be conducted here  
3 this morning, and which will continue.

4 MR. TSERPES: I have to put a question. I  
5 have given a letter to the Regional Administrator  
6 today, and he signed it that he received my letter.  
7 I don't want to be examined on the letter I gave.  
8 I don't want to be examined by Mr. Jacobs because  
9 previously Mr. Jacobs made many mistakes. He  
10 wrote -- has put down things -- different things.  
11 And I have a list of mistakes -- of the mistakes  
12 made by you.

13 And the mistakes made by Mr. Jacobs are  
14 facts. They are written on the paper. And on the  
15 transcription, and on the -- in the correspondence  
16 that we had in between us.

17 MR. JACOBS: Mr. Tserpes --

18 MR. TSERPES: I don't want to be interrogated  
19 by Mr. Jacobs. I don't trust him.

20 MR. JACOBS: Mr. Tserpes --

21 MR. TSERPES: I don't have trust -- I  
22 don't trust him, because he made many mistakes  
23 against us, and I don't trust him. And the facts  
24 are written in the papers that are in my possession.  
25 I don't believe him, and I want -- I don't want

1 to be interrogated by him. If I have the civil  
2 right -- if I am allowed by the law I don't want  
3 to be interrogated. I don't want to be interrogated  
4 by Mr. Jacobs and I don't trust him.

5 MR. JACOBS: Mr. Tserpes, Mr. Moran has  
6 seen the letter which you left here this morning.  
7 Mr. Nortman has also seen it. However, I will  
8 be the attorney representing the Commission in  
9 this examination this morning.

10 MR. TSERPES: I think I have the right  
11 not to be examined before we receive the answer  
12 from Mr. Moran. I want him to arrive -- I want him  
13 to arrive -- to finish his phase because I cannot  
14 translate the beginning, you know, -- You made mistakes  
15 in the translation. Many mistakes were made in our  
16 correspondence. And I have the facts -- exchange  
17 of letters.

18 MR. JACOBS: Mr. Tserpes, it's now eleven  
19 o'clock. Mr. Tserpes, it's now eleven o'clock.  
20 This deposition called for your appearance at  
21 9:30 this morning. At 9:30 this morning the  
22 reporter was here, and the interpreter was here,  
23 and I was here.

24 MR. TSERPES: I was here at 9:30. I  
25 was delayed by you because you didn't want to give



1 to Mr. Moran the letter I gave it to you.

2 MR. JACOBS: Please permit me to finish  
3 Mr. Tserpes. Please advise Mr. Tserpes that anything  
4 he says to me in English is not being taken on the  
5 record. He must speak to you, through you.

6 MR. TSERPES: I was here at nine thirty  
7 five. I spoke to the receptionist at nine thirty  
8 five. I have the letter to give to Mr. Moran. I  
9 was delayed one hour to give the letter to Mr.  
10 Moran. Mr. Jacobs has delayed the letter.

11  
12 It took me 20 minutes -- it took Mr.  
13 Jacobs 20 minutes to count the letters. He didn't  
14 want to count the letters. He didn't want any  
15 witnesses. He didn't want the letter to be given  
16 to Mr. Moran. The delay comes from Mr. Jacobs.  
17 I was kept for one hour and a half, one hour and  
18 20 minutes.

19 MR. JACOBS: I wish to make a statement  
20 on the record now, and I wish --

21 MR. TSERPES: I was kept an hour and 20  
22 minutes in Mr. Moran's office.

23 MR. JACOBS: And I wish not to be interrupted  
24 by Mr. Tserpes. Let the record reflect that Mr.  
25 Tserpes came here this morning, and that he brought  
with him a letter, and he brought attachments to the

1 letter, which Mr. Moran and Mr. Nortman have  
2 seen. Let the record also reflect that I did  
3 bring the letter into Mr. Moran, that Mr. Moran  
4 signed for the letter, and for the attachments,  
5 and that Mr. Tserpes does have a receipt. The  
6 reason for the delay, is that Mr. Tserpes wished  
7 to see Mr. Moran without an appointment, that Mr.  
8 Moran was tied up, and refused to turn over the  
9 letter and the attachments to either Mr. Nortman  
10 or myself, both of whom were available.

11 At this time I would like to start the taking  
12 of this deposition and let the record reflect that  
13 the parties have entered into no stipulation. Let  
14 me also state that the president, the Securities  
15 and Exchange Commission, has noticed this deposition  
16 upon oral examination, that we will be asking the  
17 questions, and that Mr. Tserpes will be asked to  
18 be responsive --

19 MR. TSERPES: (Through the interpreter):  
20 He says he was interrupted by you --

21 MR. JACOBS: Would you please tell him  
22 that the president, the Securities and Exchange  
23 Commission -- please allow the translator to listen so  
24 she can tell you what I am saying. The president,  
25 the Securities and Exchange Commission, has noticed



1 this deposition, that we will be asking the questions,  
2 and that he will be asked to be responsive to  
3 them.

4 MR. TSERPES: I have to put a question  
5 to Mr. Jacobs, and I have the right to ask --

6 MR. JACOBS: This morning we have noticed  
7 the deposition of Mr. Tserpes. We will be asking  
8 him the questions. If he refuses to go along with  
9 this procedure, we will have to --

10 MR. TSERPES: I was delayed an hour and  
11 20 minutes by Mr. Jacobs. It's the truth or no?  
12 He's asking if it's your fault that he was delayed  
13 for an hour and a half.

14 MR. JACOBS: Mr. Tserpes was --

15 MR. TSERPES: I would like to know if I  
16 have the right to ask you, did you delayed me for  
17 an hour and a half, yes or no?

18 MR. JACOBS: No.

19 MR. TSERPES: You're a liar.

20 MR. JACOBS: Mr. Tserpes, I resent that.

21 MR. TSERPES: You saw me at 9:35 in the  
22 office.

23 MR. JACOBS: Mr. Tserpes, if you refuse to  
24 comply with the procedure set out in the federal  
25 rules of civil procedure then we will terminate this

1 examination before it even begins.

2 MR. TSERPES: I don't want mistakes and lies  
3 to be written down. It's because of you that I  
4 was delayed. Yes or no?

5 MR. JACOBS: No. And Mr. Tserpes at this  
6 point I will ask the reporter to swear you in.

7 MR. TSERPES: How long did you --

8 MR. JACOBS: Mr. Reporter, could you  
9 kindly swear in the witness?

10 MR. TSERPES: For what I have to swear,  
11 for what I have to be sworn in?

12 MR. JACOBS: To swear that the answers  
13 that you will give to the questions I will be asked --  
14 asked you this morning will be truthful.

15 MR. TSERPES: You told me to be sworn in.  
16 For what I have to be sworn in? Now am I going to  
17 have a record that what I have declared is going to  
18 be right -- written down because the last time you  
19 cheated me. And I have the proof. And I have  
20 the proof in writing.

21 MR. JACOBS: Mr. Tserpes, I will tell you  
22 for the last time that I resent the things you  
23 are saying about me here this morning. Appropriate  
24 action may be taken against you and the proof which --  
25 you will have is that Mrs. Deliyandidis is serving



1 as your interpreter here this morning. She's a  
2 court appointed interpreter.

3 MR. TSERPES: You don't have to resent  
4 for what I am telling you. You're insulting me.

5 MR. JACOBS: I again ask that the witness,  
6 that Mr. Tserpes be sworn in. Will you swear him  
7 in, please?

8 MR. TSERPES: I don't trust what is going  
9 to be written down, that's why I don't want to be  
10 sworn in.

11 MR. JACOBS: Mr. Reporter, will you kindly  
12 swear in the interpreter, please?

13 MR. TSERPES: I didn't finish yet. I  
14 don't trust what is going to be written down by  
15 Mr. Jacobs because the last time he wrote different  
16 things of what I said.

17 MR. JACOBS: I will say one final thing.  
18 I am not writing down what Mr. Tserpes is saying  
19 here this morning. A reporter is writing down  
20 what he is saying. This is an approved court  
21 reporter. He is writing down -- it down, I am  
22 not writing it down.

23 MR. TSERPES: The other mistake were not  
24 connected, -- were not corrected, the mistakes  
25 that were made previously, why they were not

corrected? And you use -- and they were used  
against me.

MR. JACOBS: Mr. Reporter, would you kindly  
swear in the interpreter?

Whereupon,

NADIA DELIYANIDIS,

Do you solemnly swear that you will faithfully and  
accurately perform the duties of an interpreter during  
this deposition in translating the questions and answers  
from Greek to English and from English to Greek, so help  
you God?

THE INTERPRETER: I do.

MR. JACOBS: Mr. Reporter, will you kindly  
swear in Mr. Tserpes?

MR. TSERPES: For what reason I have to  
be sworn? I don't have any faith in Mr. Jacobs  
because of my previous experiences. And because  
of the facts that I have in my hand, I don't have  
faith in him. If there will be somebody else  
who is doing -- going to interrogate me, it will  
be all right but not somebody who is in the same  
group with Mr. Jacobs. And then I will accept to  
be sworn in, it will be a different person to  
interrogate me.

MR. JACOBS: Mr. Tserpes, is it your



intention to refuse to be examined by me here  
this morning?

MR. TSERPES: Your question is excluded.  
It's two sided.

MR. JACOBS: Do you refuse to be examined  
by me here this morning?

MR. TSERPES: The question is --

MR. JACOBS: I direct him to answer the  
question now. Does he refuse to be sworn in, and  
to submit to the examination this morning?

Would you ask him again?

MR. TSERPES: (Through the interpreter):  
I don't trust Mr. Jacobs' examination. Because of  
my previous experience.

MR. JACOBS: Will he be sworn in and answer  
my questions this morning?

THE INTERPRETER: I have answered already  
that I don't trust him.

MR. JACOBS: Mr. Reporter, for the final  
time I ask that Mr. Tserpes be sworn in?

THE INTERPRETER: You have previously  
written down many lies, and I have the proof  
my documents, and I don't have faith in this person.  
I wrote about this to the Regional Administrator  
today that I don't have faith in Mr. Jacobs because

1 of the mistakes he made.

2 MR. JACOBS: Mr. Tserpes, do you believe  
3 that Mrs. Deliyianidis, our interpreter, will in-  
4 terpret truthfully this morning?

5 MR. TSERPES: You don't answer to my  
6 question

7 MR. JACOBS: Mr. Tserpes, do you refuse  
8 to be examined here this morning?

9 MR. TSERPES: I declare again that I  
10 don't trust you.

11 MR. JACOBS: Mr. Tserpes, your statement  
12 has been noted on the record.

13 MR. TSERPES: This is my answer.

14 MR. JACOBS: Mr. Tserpes, will you be  
15 sworn at this time. Mr. Reporter, would you kindly --

16 MR. TSERPES: I already gave my answer  
17 before. I don't trust Mr. Jacobs because of the  
18 lies he already made.

19 MR. JACOBS: In view of the fact that  
20 Mr. Tserpes has refused to be sworn in, and has re-  
21 fused to submit to his examination, we will adjourn  
22 this -- we will adjourn this deposition at this  
23 time, and we will take appropriate action with  
24 the United States District Court. Thank you.

25 MR. TSERPES: But the last part is a



1 lie.

2  
3 MR. JACOBS: If Mr. Tserpes wishes to  
4 make one final statement I will give him that  
5 opportunity.

6 MR. TSERPE: Yes. Everything you said  
7 I wanted written -- to be reminded on the record.  
8 The last time we have been here things were removed  
9 from the record. Whatever you didn't like was re-  
10 moved. I have the proof.

11 MR. JACOBS: At this point we are ad-  
12 journung this morning. Please advise Mr. Tserpes  
13 that neither I nor any other member of the Securities  
14 and Exchange Commission will have any control  
15 over the transcript that has been taken here this  
16 morning, that it will remain in the hands of the  
17 reporter, and there will be no alterations made  
18 by the SEC.

19 We will now go off the record.  
20  
21  
22  
23  
24  
25



1 STATE OF NEW YORK )

2 SS.:  
3 COUNTY OF NEW YORK)

4 I, CLARENCE BALLARD, a stenotype reporter  
5 and Notary Public within the State of New York,  
6 do hereby certify:

7 That KONSTANTINOS M. TSERPES, the witness,  
8 whose deposition is hereinbefore set forth, and  
9 that said deposition is a true and accurate  
10 copy of the testimony as taken by me.

11 I further certify that I am not related to  
12 any of the parties to this action by blood or  
13 marriage; nor am I in any way interested in the  
14 outcome of this matter.

15 IN WITNESS WHEREOF, I have hereunto set my  
16 hand this \_\_\_\_\_ day of \_\_\_\_\_ 1974.

17  
18  
19  
20 \_\_\_\_\_  
CLARENCE BALLARD  
21  
22  
23  
24  
25



1 UNITED STATES DISTRICT COURT  
2 SOUTHERN DISTRICT OF NEW YORK

3 ----- x

4 SECURITIES AND EXCHANGE COMMISSION, :

5 Plaintiff, :

6 -against- :

7 RESEARCH AUTOMATION CORPORATION, ET AL, :

8 Defendants. :

9 ----- x

10 26 Federal Plaza  
11 New York, New York  
12 May 21, 1974  
10:20 o'clock A. M.

13 DEPOSITION OF BASIL MARTOS, taken by the  
14 Plaintiff, pursuant to Notice, held at the time and  
15 place stated above before a Notary Public of the State  
16 of New York.

17 APPEARANCES:

18 WILLIAM D. MORAN, ESQ.,  
19 Attorney for Plaintiff  
26 Federal Plaza  
New York, New York

20 BY: MARK JACOBS, ESQ., Of Counsel  
ANTHONY CAMARATA, SECURITIES INVESTIGATOR

21 NADIA DELIYANIDIS  
22 Greek-English Interpreter

23 (Continued on next page.)  
24  
25

## ALSO PRESENT:

CONSTANTINOS TSERPES  
333 West 39th Street  
New York, New York

GEORGE KATIRTZOGLU  
48-09 43rd Avenue  
Long Island City, New York

JOANIS KOUSMAS  
32-15 41st Street  
Astoria, New York

- - - -

MR. JACOBS: Let the record reflect  
that Mr. Martos is appearing here today  
pursuant to a Notice of Deposition upon  
Oral Examination.

For your information, Mr. Martos,  
the rules pertaining to depositions are  
contained in Title 5 of the Federal Rules  
of Civil Procedure, Rules 26 through 37  
inclusive.

This deposition is being taken  
pursuant to Rule 30 of the Federal Rules  
of Civil Procedure.

Let the record also reflect that  
no stipulations have been entered into by



1  
2 Mr. Tserpes has indicated that he  
3 has a question.

4 However, his question as well as  
5 Mr. Martos' questions and answers will  
6 have to be through the Interpreter.

7 MR. TSERPES: First I want to ask  
8 that every word that I am going to speak,  
9 I want it on the record.

10 Everything on the record.

11 MR. JACOBS: Everything which will  
12 take place this morning will be on the  
13 record.

14 MR. TSERPES: Why I did not receive  
15 any copies of the Rules regarding our  
16 business here?

17 Why, together with the papers, I  
18 did not receive any copy of the Rules re-  
19 garding my business?

20 Under the law I should have re-  
21 ceived the Rules.

22 MR. JACOBS: The Notice of Deposition  
23 of Mr. Martos states that his deposition  
24 upon oral examination would be pursuant to  
25 Rule 30 of the Federal Rules of Civil



1  
2 Procedure.

3 It is not the duty of the plaintiff  
4 to supply a party to the action with --  
5 to supply a copy of the Federal Rules of  
6 Civil Procedure.

7 Had Mr. Tserpes or Mr. Martos any  
8 questions regarding that Rule or any other  
9 Rule, they had ample opportunity to consult  
10 with an attorney if they wished or to obtain  
11 a copy of the Federal Rules to familiarize  
12 themselves with them.

13 MR. TSERPES: This was not my  
14 question.

15 It was your obligation to send it to  
16 me together with the papers.

17 MR. JACOBS: There was no such obli-  
18 gation.

19 MR. TSERPES: Under the law you are  
20 not obliged?

21 MR. JACOBS: Under the Federal Rules,  
22 under the law we are not obliged.

23 MR. TSERPES: Usually it is some-  
24 thing that is done.

25 MR. JACOBS: Usually it is not done

1  
2 and there is no law stating that it should  
3 be done.

4 MR. TSERPES: I wish that these  
5 rules be given to me.

6 I would like a copy of all the rules  
7 that are relating to my business. I  
8 would like the copy in my hand.

9 MR. JACOBS: Mr. Tserpes may go to  
10 a library, may consult with an attorney,  
11 or may purchase a copy of the rules for  
12 himself.

13 MR. TSERPES: I am asking for the  
14 rules from the Securities and Exchange  
15 Commission.

16 MR. JACOBS: The Securities and  
17 Exchange Commission will not supply Mr.  
18 Tserpes or Mr. Martos with a copy of those  
19 rules.

20 However, I would be willing to go  
21 off the record for a few moments if Mr.  
22 Martos and Mr. Tserpes wish to consult with  
23 my personal copy of the rules so that they  
24 may familiarize themselves with Rule 30.

25 MR. TSERPES: I am asking you for a



1  
2 copy of the rules regarding my business.

3 You are giving them to me or no?

4 MR. JACOBS: No.

5 The procedure for this deposition  
6 will be as follows:

7 Mr. Martos, I will first ask you to  
8 produce those documents called for in the  
9 Notice of Deposition served upon you and  
10 will then question you.

11 At the conclusion of my examination  
12 of you Mr. Tserpes will be given an  
13 opportunity to question you as to the areas  
14 covered by me.

15 I ask at this time that there be no  
16 interruptions by Mr. Tserpes until I have  
17 concluded the SEC's examination of Mr. Martos.

18 MR. TSERPES: You are telling this  
19 to me?

20 You are telling all this to me?

21 MR. JACOBS: I am telling all this  
22 to Mr. Martos and to Mr. Tserpes and for  
23 the record.

24 MR. TSERPES: I have to answer you  
25 if you are addressing this to me.

1  
2 I never interrupted, never. You  
3 don't want to put on the record whatever  
4 we are talking, and yesterday I saw the  
5 Reporter taking off the record some things  
6 with a pencil or his rubber.

7 MR. JACOBS: I would like to advise  
8 Mr. Tserpes that the Reporter today is a  
9 Court approved Stenographer and that I  
10 resent any indications that she is de-  
11 leting certain portions of the record or  
12 that any other Reporter has done so.

13 I would also like to state that  
14 Mrs. Deliyandidis is a Court approved  
15 Interpreter.

16 MR. TSERPES: Concerning what you are  
17 saying, I would like to ask who is lying.  
18 I saw the Reporter yesterday taking some-  
19 thing off the record with his rubber.

20 MR. JACOBS: The Reporter who was  
21 here yesterday is not present at this time.  
22 So any time Mr. Tserpes wishes to object,  
23 he may take such objections to Judge Ryan.

24 MR. TSERPES: Did you see him taking  
25 out something off the record with his pencil



1  
2 or with a rubber?

3 MR. JACOBS: Mr. Tserpes, at this  
4 time we must --

5 MR. TSERPES: The Reporter said  
6 yesterday that he is going to take some-  
7 thing off the record.

8 Did you hear him saying this? Did  
9 you hear the Reporter say that he is going  
10 to take something off the record?

11 You say to the Reporter yesterday,  
12 to the Stenographer, not to take it off  
13 the record.

14 MR. JACOBS: I told the Reporter  
15 everything must go on the record.

16 MR. TSERPES: Please answer to me  
17 directly to what I am asking you.

18 MR. JACOBS: At this time I will  
19 not answer any more questions.

20 We will commence with the examination  
21 of Mr. Martos --

22 (Mr. Tserpes begins to shout in  
23 half English and half Greek.)

24 MR. JACOBS: Mr. Tserpes, if you  
25 preclude us from continuing or beginning

1  
2 this deposition --

3 MR. TSERPES: You did not answer to  
4 my question.

5 DR. JACOBS: I am under no obli-  
6 gation to answer Mr. Tserpes' questions.

7 Let me just continue by saying that  
8 we will proceed directly with my questioning  
9 Mr. Martos.

10 Mr. Tserpes, please hold all your  
11 questions until I have completed.

12 MR. TSERPES: You see that I am  
13 keeping a record and I have two witnesses,  
14 too, and I keep a record of it.

15 MR. JACOBS: Madam Reporter, would  
16 you kindly swear in the Interpreter at this  
17 time.

18 MRS. NADIA DELIYANIDIS, Interpreter,  
19 was duly sworn by Wanda Malone, a Notary Public of  
20 the State of New York faithfully and accurately to  
21 interpret the questions from English into Greek  
22 and the answers thereto from Greek into English.

23 MR. JACOBS: Madam Reporter, would  
24 you kindly swear in Mr. Basil Martos.

25 MR. MARTOS: I am going to be sworn



1  
2 them to --

3 MR. JACOBS: At this time he is re-  
4 quired to produce the originals.

5 THE WITNESS: I cannot leave them  
6 with you as we did the last time.

7 MR. JACOBS: What we will do is  
8 compare the originals with the copies. I  
9 will then keep the copies and return the  
10 originals to Mr. Martos if he agrees that  
11 he will produce the originals if asked to  
12 do so at the time of the trial.

13 THE WITNESS: Yes, I agree.

14 MR. JACOBS: At this time I would  
15 like to state for the record that Mrs.  
16 Deliyaniadis is the only Court approved  
17 Interpreter here this morning.

18 I would like to ask all witnesses and  
19 other parties here to refrain from speaking.

20 Also I would like to state that  
21 there should be no cross conversation by  
22 the parties during our examination here  
23 this morning.

24 MR. TSERPES: Why are you telling  
25 this? Because we don't do it.

1  
2 MR. JACOBS: I want it stated on the  
3 record.

4 MR. TSERPES: I want it too on the  
5 record why do you make this statement?

6 MR. JACOBS: Because it was being  
7 done during the last few minutes.

8 MR. TSERPES: We are not allowed to  
9 exchange any words?

10 MR. JACOBS: No, you are not, not  
11 at this time.

12 MR. TSERPES: If I want to talk to  
13 Mr. Martos for a second, I have to ask you  
14 for your permission?

15 MR. JACOBS: Yes.

16 MR. TSERPES: Every time I want to  
17 tell something --

18 MR. JACOBS: However, I will not  
19 give my permission during the course of  
20 my examination of Mr. Martos.

21 Mr. Tserpes may question Mr. Martos  
22 when I am finished.

23 (Mr. Tserpes begins to speak with  
24 Mr. Martos in Greek.)

25 MR. JACOBS: I ask Mr. Tserpes is



1  
2 he an attorney admitted to the practice  
3 of law in this State?

4 MR. TSERPES: You have all my records  
5 and I don't understand why do you put this  
6 question when you know very well who I am,  
7 exactly, and what I am.

8 MR. JACOBS: Since he is not an  
9 attorney representing Mr. Martos, he does  
10 not have the right to consult with him  
11 during this examination.

12 MR. TSERPES: Your question to me  
13 has no value at all because you know exactly  
14 what I am.

15 MR. JACOBS: Mr. Martos, at this  
16 time will you produce all documents per-  
17 taining to the offer and sale of Research  
18 Automation Corporation stock by you?

19 THE WITNESS: What do you mean exactly  
20 when you say the word stock?

21 MR. JACOBS: Mr. Martos has told me  
22 in the past that he is an accountant. I  
23 find it difficult to believe he does not  
24 know what the word stock means.

25 THE WITNESS: I know what the word

1  
2 DIRECT EXAMINATION

3 BY MR. JACOBS:

4 Q Would you state your full name for the  
5 record, please?

6 A Basil Martos.

7 Q Would you state your home address?

8 A 25-60 45th Street, Astoria, New York 11103.

9 Q Your home telephone number, sir?

10 A 545-5031.

11 Q Your business address, sir?

12 A The same address as above for the business.

13 Q Is that also the same telephone number, sir?

14 A Same telephone number.

15 Q Would you state your Social Security  
16 number, please?

17 A If I have it with me.

18 MR. TSERPES: Before you finish,  
19 I have a question to make before the  
20 Stenographer goes.21 MR. JACOBS: Mr. Tserpes will be  
22 allowed to ask his question after Mr. Martos  
23 has given us his Social Security number.24 A We have here a number, but the last number  
25 is not very clear, so it 374-38-978 or 973.



1  
2 MR. JACOBS: Mr. Tserpes, I believe  
3 you had a question?

4 MR. TSERPE: Yes, I have question.  
5 I would like to ask again if you  
6 said yesterday to the Stenographer to  
7 take some phrases off the record and if  
8 it was -- if he erased it with a pencil?

9 MR. JACOBS: I already gave  
10 Mr. Tserpes an answer to that question and  
11 I will continue the examination of  
12 Mr. Martos, and Mr. Tserpes, please refrain  
13 from asking any further questions and  
14 interrupting this examination.

15 MR. TSERPE: You did not answer to  
16 me if it was yes or no.

17 BY MR. JACOBS:

18 Q Mr. Martos, would you state your date  
19 and place of birth, please?

20 A August 6, 1919, Delvino, Albania.

21 MR. JACOBS: Let the record reflect  
22 that while Mr. Martos was answering the  
23 question Mr. Tserpes has been conferring  
24 with one of the witnesses here today.

25 If such conferences continue,



1  
2 which are disturbing to the examination,  
3 the witnesses will be asked to leave  
4 immediately.

5 MR. TSERPES: You are saying this  
6 with a purpose because we were talking in a  
7 very low voice.

8 MR. JACOBS: It is very difficult for  
9 the Reporter to take down every word when  
10 there is other conversation going on in  
11 the room.

12 MR. TSERPES: I am going to do what  
13 Mr. Jacobs said, but I did not talk and  
14 you just want to put these things on the  
15 record that are not true.

16 BY MR. JACOBS:

17 Q Mr. Martos, what was the year that you  
18 immigrated to the United States?

19 A In August 1955 and not in 1962 as it was  
20 stated in the records.

21 Q In which records, sir?

22 A In the first examination it was said that  
23 I came here in 1962 and this is not true.

24 Q The correct year, then, is 1955?

25 A Yes, and I came from Australia, not from

Q What machine is the corporation constructing?

A Unique automatic transfer unit for packaging.

MR. TSERPES: Automatic unloading transfer and packaging unit.

Q For the purpose of our discussing, Mr. Martos, may we refer to this as automatic transfer unit?

A Yes, it is the same thing.

Q Now, I believe you stated that the corporation is now manufacturing 30 or 31 of these units?

A Yes.

Q For how long had the corporation been engaged in the manufacture of these units?

A Since 1968 when I first gave money to the company they were already engaged in the -- we made the tools and we prepared for the construction of the machines.

The company had started to build these machines after they received the loan from the bank.

Q Which loan are you referring to?

A \$300,000.

At earlier date the corporation was busy with a construction of six other units.



1  
2 Q The six other units which the corporation  
3 had been engaged in the construction of at an earlier  
4 date, have those units been completed?

5 A They are not ready completely. They are  
6 15 per cent ready.

7 Because of the shortage of steel there  
8 are some parts, there are some parts that are coming  
9 from abroad from England and Germany and they did not  
10 arrive yet.

11 Q For how long have these units been 95 per  
12 cent complete?

13 A The units were ready six months ago and  
14 we are waiting only for these parts.

15 MR. TSENPE: If you want any de-  
16 tails, I am here for the technical things.

17 MR. JACOBS: This examination being  
18 conducted today is strictly the examination  
19 of Mr. Martos.

20 Q Now, the figure of 30 or 31 units which  
21 you mentioned, does that include these six units?

22 A Yes, it includes the six.

23 Q With regard to the other 24 or 25 units,  
24 approximately 24 or 25 other units, are they complete?

25 A The other 25 or 26 are almost ready as



1 the other ones. Not completely ready.

2 Q When did work begin on those other 25?

3 A After the loan was made.

4 Q And would you state again for the record  
5 when that loan was obtained?

6 A In May, 1973 the loan was made.

7 Q How many employees are working on the  
8 units currently?

9 A The employees are not full time workers  
10 and steady workers.

11 About eight to ten employees. They are  
12 working part time and some are working full time, but  
13 not steadily.

14 Q Prior to May of 1973 when the loan was  
15 obtained, was the corporation engaged in the manufacture  
16 of these units?

17 A Yes.

18 Q What manufacture took place between May,  
19 1972 and May, 1973?

20 A We were making the jigs --

21 MR. TSERPES: Jigs --

22 THE INTERPRETER: Can Mr. Tserpes  
23 answer?

24 MR. JACOBS: Only Mr. Martos can  
25

1  
2 are my personal acquaintances.

3 Q Do you have that list with you here today,  
4 sir?

5 A No, I do not have the list.

6 I have the list of the persons you examined.  
7 I have the name of Mr. Michael Diamadis who you examined.

8 Q Mr. Martos, do you have a list of the  
9 25 to 28 persons to whom you sold the stock?

10 A Yes, I do have it.

11 Q Do you have that list with you today?

12 A I do not have the list today with me.

13 Q Let me point out that the Notice of  
14 Deposition called for any records which you had pertaining  
15 to the offer and sale of Research Automation Corporation  
16 stock by you --

17 A The list of all the stockholders are in  
18 the papers that were submitted already to you.

19 Q I am not referring to a list of all the  
20 stockholders.

21 I am referring to a list of the stock-  
22 holders to which Mr. Martos sold the stock to.

23 MR. TSERPES: This list is in your hands.

24 Q Mr. Martos, again, let me ask the  
25 question.



1  
2 Do you have a list of those persons to  
3 whom you personally sold the stock?

4 A I do have it, but not in my possession  
5 now.

6 Q Let me state for the record that I have  
7 never been supplied with any such list.

8 (Mr. Tserpes begins to shout and  
9 in half Greek and in half English.)

10 MR. JACOBS: Mr. Tserpes, you  
11 will be asked to leave if you keep  
12 interrupting.

13 (Mr. Tserpes continues to shout.)

14 MR. JACOBS: Mr. Tserpes, if you  
15 continue to interrupt these proceedings,  
16 you will be asked to leave at this time.

17 Q Mr. Martos, I am not referring to a list  
18 of all the shareholders of the corporation.

19 I am referring to a list which would  
20 pertain only to those persons to whom you personally  
21 sold the stock.

22 A Last year the list was submitted to you  
23 with the persons that I personally sold stock to and  
24 in this list was mentioned my relationship to the  
25 stockholders, their names, their addresses and their



1  
2 C In a few moments the Reporter and the  
3 Interpreter will have to leave and we will to  
4 continue this deposition tomorrow morning.

5 A The appointment for tomorrow was not  
6 definitely arranged with me.

7 I have an appointment for Thursday with  
8 New York Sales Tax at 10:00 o'clock so I could not  
9 change this appointment to come here.

10 We can make a new appointment for the  
11 papers that you need which are in my possession and  
12 I can bring them to you.

13 Q Sir, in addition to the production of the  
14 papers, there are other questions which --

15 A I agree with everything.

16 (Mr. Tserpes begins to shout in  
17 half Greek and half English.)

18 MR. JACOBS: Mr. Tserpes, this is  
19 the last time I will allow you to  
20 interrupt these proceedings.

21 Should you continue to interrupt,  
22 you will be required to leave the room  
23 at this time.

24 Q Mr. Martos, we have a few more minutes  
25 and we will continue the examination in these few

minutes.

(Mr. Tserpes continues to shout.)

MR. JACOBS: Mr. Tserpes, you will be permitted to ask your questions when the SEC has completed its examination.

You have no right to ask me questions today.

(Mr. Tserpes continues to shout.)

MR. JACOBS: Sir, go ahead and do what you please.

Please go ahead and write to Washington if that is what you wish to do.

Mr. Tserpes, you may go ahead and do what you wish.

We will continue the examination

Q Mr. Martos, who determined the price that the purchasers of R.A.C. stock had to pay for their shares of --

A On the basis of evaluation made by other companies.

Q Would you explain that further? Could you be more explicit?

A A small business --

MR. JACOBS: Though we have a



few more minutes -- we have approximately 20 minutes -- the time is now 12:40 and we have 20 minutes until the Interpreter will have to go.

Mr. Martos, we will have to adjourn your deposition at this time because Mr. Tserpes refuses to abide by procedures set out and because of his outbursts it is impossible for you to hear my questions, for me to listen to your answers, and for the Interpreter to interpret.

Unless otherwise notified, sir, this deposition will continue at 10:00 A.M. tomorrow.

At this point --

THE WITNESS: How can you arrange an appointment for tomorrow in 24 hours when I already made an appointment for tomorrow and I may --

MR. JACOBS: Sir, after we go off the record, we will try to work something else.

However, I would like to put you on Notice that the Notice of Deposition



states that this deposition will continue  
from day to day until completed.

It has not been completed and it  
is necessary to adjourn it at this time  
because Mr. Tserpes has continued to  
interrupt these proceedings.

We will adjourn the record now.  
At this time we will adjourn the record  
until 10:00 A. M. tomorrow morning.

Thank you.

(Whereupon, the examination was  
adjourned at 12:00 o'clock P.M.)

---

Basil Martos

Subscribed and sworn to  
before me this        day  
of                    , 1974

---

Notary Public



1  
2  
3 STATE OF NEW YORK )  
4 : ss.  
5 COUNTY OF NEW YORK )  
6

7 I, WANDA MALONE, a Stenotype Reporter  
8 and Notary Public within and for the State of  
9 New York, do hereby certify that Basil Martos,  
10 the witness whose Deposition is hereinbefore set  
11 forth, was duly sworn by me, and that such  
12 transcript is a true record of the testimony  
13 given by such witness.

14 I further certify that I am not related  
15 to any of the parties to this action by blood  
16 or marriage, and that I am in no way interested  
17 in the outcome of this matter.

18 IN WITNESS WHEREOF, I have hereunto set  
19 my hand this 20 day of May, 1974.  
20  
21  
22  
23  
24  
25

Wanda Malone



1 UNITED STATES DISTRICT COURT  
2 SOUTHERN DISTRICT OF NEW YORK

3 -----x

4 SECURITIES AND EXCHANGE COMMISSION, :

5 Plaintiff, :

6 -against- :

7 RESEARCH AUTOMATION CORPORATION, et al., :

8 Defendants. :

9 72 Civil 3513(SJR) :

10 -----x

11 26 Federal Plaza  
12 New York, New York  
13 May 29, 1974  
14 10:17 o'clock A.M.

15 Deposition of Athan Hamos, taken pursuant to  
16 Notice, before a Notary Public within and for the  
17 State of New York, at the above mentioned time and  
18 place.

19 APPEARANCES:

20 WILLIAM D. MORAN, ESQ.  
21 Attorney for the Plaintiff  
22 26 Federal Plaza  
23 New York, New York

24 BY: MARK JACOBS, ESQ.  
25 ANTHONY CAMARATA, Securities Investigator

ALSO PRESENT:

NADIA DELIYANIDIS, Official Interpreter

1  
2 ALSO PRESENT: (Continued)

3 KONSTANTINOS M. TSERPES

4 BASIL MARTOS

5 GEORGE KATIRTZOGLU

6 48-09 43rd Avenue  
Astoria, New York

7 JOHN KOUSMAS

8 32-15 41st Street  
Astoria, New York  
9  
10  
11  
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25

P R O C E E D I N G S

MR. JACOBS: On the record at 10:17 A.M., May 29, 1974.

Let the record reflect that Athan Hamos is appearing here today pursuant to a Notice of Deposition upon oral examination.

For your information, Mr. Hamos, the rules pertaining to depositions are contained in Title 5 of the Federal Rules of Civil Procedure, Rules 27 through 37 inclusive.

Mr. Tserpes, have you used -- Mr. Tserpes, have you turned on the tape recorder?

MR. TSERPES: (In English) Yes.

MR. JACOBS: I will have to tell you --

MR. TSERPES: (In English) Just a minute.

In front of you I open it.

I would like to make a motion -- write down about the motion.

MR. JACOBS: Mr. Tserpes, please speak to the Interpreter.

MR. TSERPES: (To the Interpreter) I made a motion and asked that to use my tape recorder because before -- because Mr. Jacobs tried not to put this on the record.

(In English) No. No.



1  
2 (To the Interpreter) I want to use a tape  
3 recorder because a few days ago when we were here  
4 Mr. Jacobs said to the Stenographer to remove something  
5 from the record, and he has used a pencil on the  
6 record, and he didn't answer to my question.

7 MR. JACOBS: Mr. Tserpes, should you wish to make  
8 an application to the Court to have the records of  
9 this deposition recorded other than by stenographer  
10 means, you may certainly do so.

11 I am not the Judge and you cannot bring a  
12 motion before me as I do not have the power to rule  
13 on it.

14 At this point I would like to continue.

15 MR. TSERPES: (In English) Just a minute.  
16 I want to answer you. I have to answer you.

17 (To the Interpreter) I also asked if I can make --  
18 if I can ask for a permission for a tape recorder.

19 MR. JACOBS: You may ask --

20 MR. TSERPES: (To the Interpreter) I didn't  
21 ask Mr. Jacobs if I can ask the permission for a tape  
22 recorder. My question was different.

23 I gave him the rules, Number 31, and I told him  
24 that because he tried to get involved with the record  
25 I am asking, according to Rules 31 to have the permission

1  
2 to use my own tape recorder in order to have my own  
3 record about what we have talked here, and to check  
4 with the record -- with your record, to check with  
5 the things that you -- you have put in there, and  
6 the things that you didn't want to put on the record,  
7 and according to this rule I am asking his permission.

8 MR.JACOBS: Let the record --

9 MR. TSERPES: (In English) Just a minute.

10 I don't finish.

11 (To the Interpreter) I did not finish yet.

12 Don't interrupt me.

13 If you do not want to give me this permission  
14 according to Rule 31 -- it's mine -- okay, it's for  
15 you because you are my friend (handing document to  
16 Mr. Jacobs) -- (Through the Interpreter) According  
17 to Rule 31 I am going to ask this permission from  
18 the Judge.

19 MR.JACOBS: Let the record reflect that Mr. Tserpes  
20 has handed me a Xerox copy of the Federal Rules of  
21 Civil Procedure, and he has marked Rule 30, sub division  
22 B-4.

23 Rule 30 (B) 4 as it reads on this paper, Mr.  
24 Tserpes, states that the Court may upon motion order  
25 that the testimony at a deposition be recorded by other



1  
2 than stenographic means, in which event the Order  
3 shall designate the manner of recording, preserving  
4 and filing the deposition, and may include other  
5 provisions to assure --

6 THE INTERPRETER: Provision? Other means, is  
7 the same thing?

8 MR. JACOBS: Yes.

9 (Continuing) -- That the recorded testimony  
10 will be accurate and trustworthy.

11 If the order is made, a party may nevertheless  
12 arrange to have a stenographic transcription made at  
13 his own expense.

14 As I explained to you already, Mr. Tserpes --

15 MR. TSERPES: (In English) I did not finish.  
16 I did not finish my question, Mr. Jacobs.

17 MR. JACOBS: Let me just finish my statement to  
18 you and then we will go on with the deposition of  
19 Mr. Hamos.

20 As I explained to you, Mr. Tserpes, --

21 MR. TSERPES: (To the Interpreter) I want it  
22 on the record that I was not allowed to finish my  
23 question.

24 MR. JACOBS: You will be allowed to finish your  
25 question as long as you allow me to finish my answer,



1  
2 Mr. Tserpes.

3 What is your question, Mr. Tserpes?

4 MR.TSERPES: (In English) Everything, I want  
5 everything on the record.

6 Did you put that down?

7 MR. JACOBS: Everything will be on the record.

8 MR.TSERPES: (Through the Interpreter) What  
9 is the reason that you do not allow him to have this  
10 tape recorder in front of you on the table?

11 MR. JACOBS: If he gets a Court Order stating  
12 that he can record this deposition, then it will be  
13 allowed.

14 He has made no motion to the Court and the  
15 Court has not ruled on it.

16 The Court has made no such Order.

17 MR. TSERPES: (Through the Interpreter) You still  
18 did not answer to my question.

19 My question was: Why you do not allow the  
20 tape recorder?

21 MR.JACOBS: I do not have to give him an answer.

22 I am not obligated to allow him to use it.

23 At this point I have told him I will not allow  
24 him to use it.

25 At this point I would like to get on with the

1  
2 deposition of Mr. Hamos.

3 MR. HAMOS: (In English) I would like myself  
4 to be recorded.

5 MR. JACOBS: If you would like yourself to be  
6 recorded, Mr. Hamos, then you should have made a  
7 motion to the Court.

8 You were just directed by Mr. Tserpes to make  
9 that statement.

10 MR. HAMOS: (In English) No.

11 MR. JACOBS: Mr. Tserpes is not an attorney.  
12 Bear that in mind.

13 You may not consult with him during the taking  
14 of this deposition.

15 However --

16 MR. TSERPES: (In English) It's not necessary.

17 MR. JACOBS: However, if you want this recorded  
18 you should have made a motion to the Court.

19 You were served with a Notice of Deposition  
20 over a week ago, and you had a chance to make a motion  
21 to the Court if that is what you wished to do.

22 MR. HAMOS: (To the Interpreter) I didn't know  
23 that I was not allowed it.

24 I didn't know that it's something that I -- I  
25 mean, it's hidden from the record.



1  
2 deposition which will be taken here today.

3 At this point, Mr.Hamos, I would like to further  
4 advise you --

5 MR.TSERPES: (In English) Just a minute.

6 MR. JACOBS: (Continuing) -- that the deposition --

7 MR. TSERPES: (In English) Don't play with us.  
8 I am involved in this meeting.

9 MR. JACOBS: Mr. Tserpes, if you continue to  
10 interrupt I will have to ask you to leave, and you will  
11 not be allowed to be present at the taking of any of  
12 these depositions.

13 MR. TSERPES: (In English) Give me now a letter,  
14 sir. Now, write down a letter --

15 MR. JACOBS: YOU will be asked to leave if you  
16 continue to interrupt.

17 MR. TSERPES: (In English) Give me a letter to  
18 leave immediately if you don't like me.

19 MR. JACOBS: Mr.Tserpes, will you kindly refrain  
20 from interrupting?

21 MR.TSERPES: If he doesn't want me in this meeting  
22 I want a letter to state that I have to leave now.

23 MR.JACOBS: Well --

24 MR. CAMARATA: It's on the record.

25 MR. TSERPES: (In English) On the record.



1  
2 MR. JACOBS: If Mr. Tserpes continues to  
3 interrupt we will adjourn the taking of the deposition  
4 until such time as the Court has ruled on Mr. Tserpes  
5 behavior.

6 May I remind you, Mr. Tserpes, that we were  
7 forced to adjourn the deposition of Mr. Martos last  
8 week because you were interrupting, and because of  
9 your behavior.

10 If you cause this to happen today, we will have  
11 to take this matter before the Court.

12 MR. TSERPES: (In English) I don't finish.

13 MR. CAMARATA: Mr. Tserpes, wait a minute.

14 The Reporter can't record two conversations.

15 Let one finish and --

16 MR. TSERPES: (In English) Yes, but he is  
17 playing with me.

18 He don't answer to me.

19 He is writing lies inside his --

20 MR. COMARATA: The Reporter is recording every-  
21 thing that is said.

22 MR. TSERPES: (Through the Interpreter) He is  
23 lying. He is lying, and there are lies on the record.

24 I do not interrupt anything --

25 MR. JACOBS: Then, please --

1  
2 MR. TSERPES: (Through the Interpreter) I just  
3 have put a question and they do not answer my  
4 question.

5 MR. JACOBS: What is his question for the last  
6 time?

7 MR. TSERPES: (Through the Interpreter) Why I am  
8 not allowed to have a tape recorder, because many  
9 mistakes were made, mistakes done by you.

10 MR. JACOBS: This deposition is being recorded  
11 by stenographic means.

12 I will repeat for the last time, Mr. Tserpes,  
13 that should you wish to make a motion before the  
14 Court, you are free to do so.

15 However -- let me finish at this time.

16 MR. TSERPES: (In English) That is all right.

17 MR. JACOBS: However, in the absence of a Court  
18 Order I will not permit you to record the taking of  
19 this deposition -- let me continue.

20 If a deposition were to be recorded by a tape  
21 recorder it would not be recorded by one of the parties  
22 and the tape would not remain in the hands of one of  
23 the parties.

24 There is a procedure set out for this. That  
25 procedure would have to be complied with.



1  
2 MR. TSERPES: (Through the Interpreter) I did  
3 not receive the clear answer, direct answer, why  
4 you don't want a tape recorder yourself.

5 MR. JACOBS: Should Mr. Tserpes wish a more  
6 direct answer from me, he may make a motion before  
7 the Court and I will answer to the Court.

8 At this point I will not discuss the matter any  
9 further with him as time is running late, and I would  
10 like to proceed with the deposition of Mr. Hamos.

11 MR. TSERPES: (Through the Interpreter) My  
12 question is still why -- what are your personal  
13 reasons that you do not want to have it?

14 MR. JACOBS: My personal reasons have nothing to  
15 do with the matter.

16 At this point, Mr. Hamos, I would like to tell  
17 you that this deposition is being taken pursuant to  
18 Rule 30 --

19 THE INTERPRETER: I am sorry, I can't hear you.  
20 They are talking.

21 MR. JACOBS: At this point, Mr. Hamos, I wish to  
22 advise you that this deposition is being taken pursuant  
23 to Rule 30 of the Federal Rules of Civil Procedure.

24 Let the record reflect that the parties have  
25 entered into no stipulations.



1  
2 each other in church and through friends.

3 Q Was it Mr. Tserpes who then first told you about  
4 Research Automation Corporation?

5 A Yes.

6 Q What is Research Automation Corporation?

7 A It is a company that is constructing a machine  
8 that will make unloading, transferring and packaging.

9 It's a packaging unit.

10 Q For how long has Research Automation Corporation  
11 been engaged in the construction of that machine?

12 A It must be around six to seven years.

13 Since they have started to submit the papers.

14 Q To submit which papers, sir?

15 MR. JACOBS: Excuse me.

16 At this point I must note for the record that  
17 Mr. Tserpes has made a statement in Greek to Mr. Hamos.

18 I am asking these questions directly of Mr.  
19 Hamos.

20 The only one he may talk to and answer to me is  
21 the Interpreter.

22 If he does not know the answer to a question,  
23 let him indicate that, but Mr. Tserpes, please refrain  
24 from consulting with Mr. Hamos at this time.

25 MR. TSERPES: ( In English) I would like to talk

1  
2 to the Interpreter and let the record reflect that --

3 MR.JACOBS: Mr.Tserpes, you may not speak to the  
4 Interpreter at this time.

5 You would be interrupting our examination of  
6 Mr. Hamos.

7 Mr. Reporter, would you kindly read my last  
8 question to Mr. Hamos.

9 (Whereupon, the pending question was read back  
10 by the Reporter.)

11 A Papers -- the -- I don't know exactly what papers,  
12 but it was the -- our records, our patent --

13 Q To whom were these records submitted?

14 A To the Patent Office.

15 I do not know where.

16 Q Mr.Hamos, are you an officer or employee of  
17 Research Automation Corporation?

18 A Yes, I am an officer since the corporation  
19 started and all the time -- until last year.

20 I was an officer until last year.

21 Q What office did you hold, sir?

22 A I just was a Vice President of the company.

23 Q Were you in charge of any particular function  
24 of the corporation?

25 A Yes, I was going to meetings. If it was necessary--



1  
2 A I do not recall the dates.

3 It must be three to four years ago.

4 Q Who told you that these orders were given to the  
5 corporation?

6 A In ~~te~~ office -- I saw it in the office.

7 Q Who showed it to you?

8 MR. TSERPES: (In English) Myself.

9 A Mr. Tserpes.

10 MR. JACOBS: At this point, Mr. Tserpes, I will  
11 again ask you please not to answer or make any remarks --

12 MR. TSERPES: (In English) Stop this, please.

13 MR. JACOBS: (Continuing) -- while I am question-  
14 ing Mr. Hamos.

15 MR. TSERPES: (In English) You play with us.  
16 You play continuously with us -- write down -- playing  
17 continuously with us, and you are -- you are mocking  
18 on us, and you are trying to find an excuse -- an  
19 excuse to tell me that I am interrupting, but I didn't  
20 say anything, and everybody heard that I didn't interrupt  
21 anybody.

22 MR. JACOBS: Mr. Tserpes, you are not being mocked.

23 However, if these outbursts continue, we will  
24 have to adjourn.  
25



BY MR. JACOBS:

Q Mr. Hamos, will you answer the question?

MR. TSERPES: (To the Interpreter) I want -- I want it on the record what -- what I said when you say that I have interrupted you.

What were the words that I said?

MR. JACOBS: The last question posed to Mr. Hamos as to who showed him the orders was answered by you, sir.

You made a gesture, you pointed to yourself, and you said me.

You were answering for Mr. Hamos.

MR. TSERPES: (Through the Interpreter) I didn't talk to Mr. Hamos, I was talking to the others.

MR. JACOBS: That is my point, sir.

You are not permitted to talk to the others during the course of this examination, sir.

MR. TSERPES: (In English) No, no. I didn't talk to Mr. Hamos at all.

MR. JACOBS: Nevertheless, you may not talk to the others.

MR. TSERPES: (In English) Just a minute don't confuse the record.

I spoke to Mr. Martos who was near me in a very

low voice, just one word.

MR. JACOBS: Mr. Hamos is also sitting next to you, and it is confusing.

Please refrain from speaking during the course of this examination.

You will have your chance later.

MR. TSERPES: (In English) No, no. I don't finish. I did not finish. I don't finish.

Stop the play with me.

MR. JACOBS: Mr. Tserpes, kindly let us continue.

BY MR. JACOBS:

Q Mr. Hamos, to your knowledge have there been any sales --

MR. TSERPES: (In English) I don't finish.

Q (Continuing) -- of the automatic transfer units?

MR. TSERPES: (In english) I don't finish.

Do not play with me.

(To the Interpreter) You have personal reasons to be against me because you have made fraud -- because I told you that you made fraud practices against our corporation on your own affidavit, that's why you are against me personally, and I gave a letter to Mr. Moran that this person has lied in his own affidavit of which he has sworn for our part and our rights and for other



records or many other records.

(In English) I am finished.

BY MR. JACOBS:

Q Mr. Hamos, have there been any sales of the automatic transfer units to your knowledge?

A No. To my knowledge, there were not any sales.

Q Do you know why there have been no sales?

A It was a very long period -- because for two years we are -- we are kept in this discussion here like on the Mount of Galgotta.

If you want to crucify us, crucify us.

Q Are any of the units complete?

A (In English) Yes, 90 percent.

Q Are any of the units 100 percent complete?

A No.

MR. TSERPES: (In English) One.

A One, excuse me.

MR. JACOBS: Mr. Tserpes --

MR. TSERPES: (In English) Just a minute.

MR. JACOBS: (Continuing) -- this is the last time I will tell you --

MR. TSERPES: (In English) Just if you don't like, give me a letter.

MR. JACOBS: This is the last time --



1  
2 MR. TSERPES: (In English) You make crooked  
3 investigations.

4 Give me one paper and I promise the investigation--  
5 you make fraud last time. You remember you make --  
6 you make fraud practices against this company. You,  
7 personally.

8 Write that on the record.

9 MR. MARTOS: May I have permission, please --

10 MR. JACOBS: Mr. Martos, you may have permission  
11 in one moment.

12 At this point I would **especially** like to state  
13 for the record for Mr. Hamos and for all of you, that  
14 if this occurs, if this conduct by Mr. Tserpes occurs  
15 once again, I will immediately adjourn the taking of  
16 this deposition and it will not continue until Mr.  
17 Tserpes has left the room and has permitted us to  
18 proceed so that we can proceed in an orderly fashion  
19 and finish this.

20 MR. TSERPES: If you give me a letter I am going  
21 to leave this room now.

22 MR. JACOBS: Mr. Martos --

23 MR. TSERPES: Give me a letter, please, now.

24 MR. JACOBS: Mr. Tserpes, I am giving you no letter  
25 at this time.

1  
2 However, if your conduct continues, I will  
3 adjourn.

4 MR. TSEMPER: (In English) Stop the tricks.

5 Don't tell me again that I am going to leave  
6 this room.

7 It's the last time that I hear that from you.

8 If you want me to leave the room, just give me  
9 a letter, and stop the tricks.

10 MR. JACOBS: Before continuing, I believe Mr.  
11 Martos had a question.

12 I would like to give him an opportunity to ask  
13 his question.

14 MR. MARTOS: (In English) Mr. Jacobs asked Mr.  
15 Hamos if any of the transfer machines are ready --

16 MR. JACOBS: Mr. Martos, may I say something and  
17 then I will let you continue.

18 If you would like to give an answer to this  
19 question, your answer will come when we take your  
20 deposition.

21 Your deposition is scheduled to continue  
22 tomorrow.

23 MR. TSEMPER: (In English) Just a minute.

24 You give -- Did you give the permission to Mr.  
25 Martos?



1  
2 MR. JACOBS: I gave Mr. Martos permission to  
3 question me thinking it regarded the procedure.

4 With regard to the substantive questions he will  
5 be given an opportunity to answer these questions  
6 when his deposition continues tomorrow.

7 Is it your intention to answer a substantive  
8 question?

9 MR. MARTOS: (In English) This question I  
10 would like to complete.

11 Mr. Hamos say no --

12 MR. JACOBS: It will be given to you -- an  
13 opportunity will be given to you when your deposition  
14 is continued tomorrow.

15 MR. TSERPES: (In English) Stop the trick to  
16 us. Give us permission -- just a minute.

17 MR. JACOBS: Cross examination --

18 MR. TSERPES: (In English) Just a minute.  
19 Make straight words.

20 MR. MARTOS: (In English) I can answer the  
21 question.

22 MR. JACOBS: Mr. Martos --

23 MR. TSERPES: (In English) You give permission  
24 to Mr. Martos to talk. Why you stop me?

25 MR. JACOBS: Mr. Martos, cross examination will



1  
2 commence --

3 MR. TSERPES: (In English) No, no.

4 You give permission --

5 MR. JACOBS: (Continuing) -- after direct  
6 examination.

7 MR. TSERPES: (In English) Stop. I know you.  
8 You know me. I know you, you know me a lot of years --

9 MR. JACOBS: This procedure was set out at the  
10 very beginning of this deposition.

11 You certainly will be given a chance for cross  
12 examination, but that chance will be given to you after  
13 I have completed --

14 MR. MARTOS: (In English) Okay.

15 MR. JACOBS: (Continuing) -- the direct examination  
16 of Mr. Hamos.

17 MR. MARTOS: (In English) Okay. I agree to answer  
18 his answer, because it's not complete.

19 MR. JACOBS: Sir, you will certainly have that  
20 opportunity.

21 MR. MARTOS: (In English) Many questions is not  
22 complete.

23 MR. JACOBS: First, then, let me complete his  
24 direct examination.

25 MR. HAMOS: (Through the Interpreter) Can I make

1  
2 a statement?

3 MR. JACOBS: Yes, you may make a statement, Mr.  
4 Hamos.

5 MR. HAMOS: (Through the Interpreter) You know  
6 very well that one machine was ready and one was sent  
7 to Chicago for demonstration in a fair.

8 You know this very well.

9 MR. JACOBS: Mr. Hamos, let me explain one thing  
10 to you at this time.

11 There are several --

12 MR. TSERPES: (In English) Just a minute.

13 Don't stop the person to finish. Don't stop  
14 the person to finish his answer to you. Write  
15 the record.

16 MR. JACOBS: Mr. Hamos, it appears it is impossible  
17 to continue with your deposition because of Mr. Tserpes'  
18 outbursts.

19 What I was stating to you --

20 MR. TSERPES: (In English) You make again  
21 fraud investigation against us.

22 MR. JACOBS: What I was stating to you, I am  
23 asking you many questions --

24 MR. TSERPES: (In English) Remember me, you,  
25 I take you to Court.



1  
2 MR. JACOBS: (Continuing) -- the answers to which  
3 may seem obvious, such as your name.

4 The reason I must ask you questions is in order  
5 to have a complete record.

6 MR. TSERPES: (In English) You make --

7 MR. JACOBS: I also knew your name and address,  
8 but it is necessary to ask these questions in order  
9 to have a complete record.

10 MR. TSERPES: (In English) You make fraud  
11 proceedings against us.

12 I prove this two times in Court, and one time  
13 now, you make fraud proceedings against us.

14 MR. JACOBS: Mr. Hamos --

15 MR. TSERPES: (In English) You wrote in your  
16 own affidavit --

17 MR. JACOBS: (Continuing) -- to your knowledge  
18 has Research Automation had any earnings to date,  
19 Mr. Hamos?

20 THE INTERPRETER: To date, you mean now?

21 MR. JACOBS: To the present time.

22 MR. HAMOS: They have expenses all the time, so  
23 they do not gain anything.

24 MR. JACOBS: In view of the fact that Mr. Tserpes  
25 again interrupted and spoke to Mr. Hamos in Greek --



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MR. TSERPES: (In English) Just a minute.

MR. HAMOS: (In English) He said something else.

MR. TSERPES: ( In English) Don't make crooked investigations.

MR. JACOBS: Mr.Hamos, you tell me he said something else.

I don't know what he said.

In view of the fact this continues --

MR. TSERPES: (In English) Don't make crooked investigation today.

MR. JACOBS: (Continuing) -- we will adjourn this deposition until such time as we can proceed in an orderly fashion.

If that means excluding Mr. Tserpes, we will.

MR. TSERPES: (In English) I see you in Court soon.

MR.JACOBS: In view of the fact that Mr. Tserpes has made it impossible for us to continue this morning --

MR.TSERPES: (In English) You may continue as crooked investigation like last time.

MR.JACOBS: (Continuing) -- we will close the record now, of course, subject to continuing it at such

time as we are able to if -- after we have had a determination from the Court as to Mr. Tserpes' behavior.

THE INTERPRETER: Can I put the question Mr. Hamos is asking?

MR. JACOBS: Yes.

MR. HAMOS: (In English) I am 400 miles far from the Automation Corporation --

MR. JACOBS: I understand that.

MR. HAMOS: (In English) I am very willing to help you, whatever I can do.

MR. JACOBS: I understand.

MR. HAMOS: (Through the Interpreter) I am very far from the -- I do not live near the corporation, Automation Company.

MR. JACOBS: I understand that very well, Mr. Hamos, and for that reason I would very much like to continue this examination today, and I would like to complete this examination today.

However, it has been impossible for me to continue with the examination in view of the fact that you have not been permitted to listen to all my questions.

I have not been permitted to listen to the answers you have given because there have been interruptions



1  
2 by Mr. Tserpes.

3 MR. TSERPES: (In English) You make --

4 MR. JACOBS: At this point --

5 MR. TSERPES: (In English) (Continuing) --  
6 fraud investigation.

7 MR. JACOBS: We will close the record --

8 MR. TSERPES: (In English) You make again this  
9 time.

10 MR. JACOBS: Mr. Hamos, would it be agreeable  
11 to you to continue the deposition at this time if Mr.  
12 Tserpes were excluded from this room?

13 MR. HAMOS: (To the Interpreter) No, I do not  
14 want because they were called to be here for cross  
15 examination too.

16 MR. JACOBS: Well, in view of that fact, I am sorry,  
17 but it has been impossible for us to continue, and for  
18 the reasons stated we will close the record, and we  
19 will adjourn the taking of your deposition at this time.

20 MR. TSERPES: (In English) I will see you in  
21 my office next week, the 10th of the month -- in the  
22 Court, because you are a fraud person against this  
23 company.

24 I state to you, you proved inside in your  
25 affidavit fraud -- you are a fraud person against this



company.

Write that down on the record. I prove in the Court through your affidavit.

It's all right.

Don't forget the Greek is not sophisticated. You are sophisticated because for this reason you make a crooked -- crooked affidavit -- you are unsophisticated in this case.

Write on the record. I prove in Court. You don't forget me.

I am not unsophisticated Greek. You don't insult my ethnic -- you -- you make discrimination against my ethnic -- I call you in Court and answer you in Court, friend.

MR. JACOBS: Close the record at this time.

(Whereupon, the record was closed at 11:35 o'clock A.M.)

(Whereupon, the record was reopened at 11:37 A.M.)

MR. JACOBS: At this point the only people present in this room are the Reporter, the Interpreter, Mr. Camarata and myself.

The Defendants in this action and their witnesses have left the room.

1  
2 However, I would like to state for the record  
3 that before they left the room I told Mr. Martos  
4 that his deposition which had been scheduled to  
5 continue at 10:00 o'clock tomorrow morning has been  
6 adjourned until such time as the Court or the parties  
7 have resolved the matter of Mr. Tserpes' interrupting.

8 Close the record.

9 (Whereupon, the record was closed at 11:38  
10 o'clock A.M.)  
11  
12

13 \_\_\_\_\_  
ATHAN HAMOS

14  
15 Subscribed and sworn to before me  
16 this \_\_\_\_\_ day of \_\_\_\_\_, 1974.  
17 \_\_\_\_\_  
18  
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25



C E R T I F I C A T E

STATE OF NEW YORK )

SS:

COUNTY OF NEW YORK )

I, HERBERT KROLL, a Notary Public within and  
for the State of New York do hereby certify:

That Athan Hamos, the witness whose  
deposition as herein set forth, was duly sworn by me  
and that this transcript of such examination is a  
true record of the testimony given by said witness.

I further certify that I am not related to  
any of the parties to this action by blood or  
marriage, and that I am in no way interested in  
the outcome of this matter.

IN WITNESS WHEREOF, I have hereunto set my  
hand this \_\_\_\_\_ day of \_\_\_\_\_, 1974.

---



OFFICE OF THE  
GENERAL COUNSEL

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

January 27, 1975

A. Daniel Fusaro, Esq.  
Clerk, United States Court of  
Appeals for the Second Circuit  
United States Courthouse  
Foley Square  
New York, New York 10007

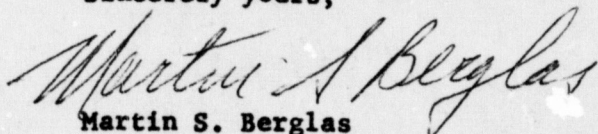
Re: Securities and Exchange Commission, Plaintiff-Appellee v.  
Research Automation Corporation, et al., Defendants;  
Konstantinos M. Tserpes, Basil Martos, Athan Hamos, Appellants  
(C.A. 2, No. 74-2393)

Dear Mr. Fusaro:

Enclosed for filing with the Court in the above-captioned appeal are an original and three copies of the MOTION OF THE SECURITIES AND EXCHANGE COMMISSION, APPELLEE, FOR PERMISSION TO FILE A SUPPLEMENTAL APPENDIX TO ITS BRIEF. Ten copies of the Supplemental Appendix were lodged with the Court at the time the Commission filed its brief, and one copy of that appendix was served upon each appellant along with two copies of the Commission's brief.

I certify that I have today caused to be mailed two copies of the foregoing motion to each of the appellants, as listed below.

Sincerely yours,

  
Martin S. Berglas  
Attorney

Enclosures

Copies to: Research Automation Corporation  
Konstantinos M. Tserpes  
Basil Martos  
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Gerald Fincke, Esq.  
Attorney for Athan Hamos  
1800 Lincoln First Tower  
Rochester, New York 14604





JANUARY 24, 1954

A. Daniel Thayer, Esq.  
Chief, United States Court of  
Appeals for the Second Circuit  
United States Courthouse  
Fifth Square  
New York, New York 10005

Re: Research and Exchange Corporation, Plaintiff - Appellee v.  
Research Automation Corporation, et al., Defendants,  
Konstantinos N. Tserpes, et al., Petitioners, Appellants  
(C.A. 2, No. 14-113)

Dear Mr. Thayer:

Enclosed for filing with the Court in the above-captioned appeal are an original and three copies of the MOTION OF THE DEFENDANTS AND PETITIONERS FOR REHEARING, APPEAL, FOR REHEARING TO THE SUPREME COURT OF THE UNITED STATES TO ITS RULES. Two copies of the Supplemental Appendix were lodged with the Court at the time the Commission filed its brief, and one copy of that Appendix was served upon each appellant along with two copies of the Commission's brief.

I certify that I have today caused to be mailed two copies of the foregoing motion to each of the appellants, as listed below.

Sincerely yours,

Martin S. Gorman  
Attorney

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